

Job Creation Committee

Minutes from the January 15, 2015 Meeting

Call to Order & Establishment of Quorum

The Job Creation Committee (JCC) meeting was called to order by Chairman Nick Rhoad on Thursday, January 15, 2014 in Conference Room W064 at 8:55 a.m.

Committee members present:

- Nicholas Rhoad, Chairman
- Richard Wilson
- John Wright
- Allen Pope
- Barbara Quandt
- Ryan Miller, OMB designee
- Timothy Reed

IPLA staff members present:

- Nick Goodwin

Adoption of Agenda & Review of October Minutes

Chairman Rhoad requested a motion to adopt today's agenda and a motion to adopt the minutes from the October meeting. No changes are needed to the October JCC minutes. Col Wilson motioned to approve, Barbara Quandt seconded. Motion carried.

Presentation from the State Board of Registration for Professional Surveyors

Amy Hall, Director of the State Board of Registration for Professional Surveyors presented to the committee. Ms. Hall explained the three different kinds of license types and their functions: land surveyor-in-training, professional surveyor, and an engineer professional corporation. The Board's role is to review the credentials for applicants, administer licenses to those who qualify, and implement disciplinary actions when necessary. The Board is staffed by six positions, including one director, one assistant director, and four customer service representatives, which comprise of a group within the agency. This group is structured to oversee the administrative work for other boards in addition to the State Board of Registration for Professional Surveyors. There are eight groups within the PLA, which constitutes as an umbrella agency. Ms. Hall also explained the cost of licensing fees for both in-state and out-of-state applicants.

Mr. Rhoad asked about the cost for an individual to take the NCEES exam for this profession. Ms. Hall responded that the exam cost is included in the application fee paid to the Board. Col Wilson asked about who sets the fees for these licenses and how Indiana's fees compare to other states. Ms. Hall responded that the Board sets the fees and that Indiana's fees are in line with other surrounding states.

Concerns were addressed by the committee about the purpose of the surveyor intern license. Mr. Pope responded that from the AG's perspective, the surveyor intern license doesn't give any authority; it simply shows that they are studying that field and verifies that they are working under the supervision of a professional surveyor. Col Wilson asked about the purpose of charging \$10 per year for this license if it gives the person no authority other than to prove their status as a student. He feels that it is pointless and unnecessary. Ms. Hall responded that the \$10 is a one-time fee that provides the surveyor intern with a certificate that will allow them to work under a professional

surveyor. Mr. Jason Coyle spoke up from the audience about the surveyor intern license, and he explained that the intern license is necessary through NCEES to sit for the exam after you complete your four-year education. Mr. Coyle explained that it is just a part of the track to licensure, and that all 50 states recognize the surveyor intern license.

Ms. Quandt asked if someone can become a licensed surveyor through experience rather than education. Mr. Coyle responded that either a four-year program completion or a two-year program with two-years of experience is required to become a professional licensed surveyor. Mr. Pope asked if someone can practice at all in the field if they do not have a surveyor intern license or a professional surveyor license. Mr. Coyle explained that a lot of people work under the director of a professional surveyor either assisting surveyors on the job location or in the office, but they do not directly work as a licensed surveyor. Mr. Gary Conton spoke up from the audience and mentioned that many advertisements for surveying jobs require that individuals have at least a surveyor intern license because it verifies that the person is on track to become a professional surveyor.

Mr. Rhoad asked Ms. Hall if the Board faces any challenges with these licenses. Ms. Hall explained that the application process for this profession is very complicated. There are a lot of schooling hours to add up and verify. Also, the exam for this profession is only administered twice per year, so it is difficult to coordinate and make sure that people are registered on time and ready to test.

Mr. Rhoad stated that from an administrative standpoint, the fees for this professional license seem arbitrary and bothersome. He suggested that at the next committee meeting, the committee should have a high-brow discussion about fees like this in general. Fees are wildly inconsistent across various boards, and it seems to make no sense. The funds aren't dedicated to the agency; they are reverted to the General Fund. To him, it seems to benefit no one other than the State's budget surplus. He suggests that the committee should discuss if the idea of a Working Capital Fund would be more beneficial to these boards and other professions in general. It seems that a lot of these fees are meant to stand as barriers to entry, and that doesn't help keep Indiana as a 'State that Works.' Mr. Rhoad also asked for OMB's stance on arbitrary fees and how these licensing fees fit into the State's budget.

Presentation from the Indiana Attorney General's Office regarding Professional Surveyors

Terry Tolliver, Deputy AG, presented to the committee. He explained that in 2014, most complaints came from consumers and the IPLA. Most complaints regarded professional incompetence, although some involved people practicing without a license. Most complaints resulted in no litigation or just probation for the individual.

Mr. Rhoad asked Mr. Tolliver to explain more in depth about the harm to consumers regarding these complaints, specifically about what it means to settle a complaint. Mr. Tolliver explained that settling is generally best for most complaints, and usually the violations are fairly clear in this profession. If the issue can be resolved without litigation, then that tends to lead to better outcomes and preserves the AG's resources. It is also more beneficial to the professional, as it keeps them working as opposed to getting suspended or barred from the profession.

Mr. Rhoad asked for Mr. Tolliver to explain the cost for the AG's office to process a consumer complaint and take it to the settlement level, if it is quantifiable at all. Mr. Tolliver responded that it is possible to quantify the costs, but there are many circumstances to consider. He explained that sometimes, a professional is very responsive to the initial letter from the AG's office regarding the consumer complaint and wants to resolve things quickly. Other times, the professional insists on

fighting the complaint and wants their day in court. Col Wilson asked that if an environment where the professions are providing the funding to conduct all of this enforcement work (such as a working capital fund situation), could the AG's office establish a billable hourly rate to conduct those kinds of investigations in order to recover the costs to taxpayers. Mr. Pope chimed in and estimated that it probably costs approximately \$700 per complaint on average, and that figure is based on the amount of employees in the AG's office who are processing a certain amount of claims per year, plus the salaries of the employees. Mr. Pope explained that settlements with the AG's office are different than settlements in civil or criminal cases because the Board oversees them.

Mr. Rhoad asked Mr. Tolliver to explain how these consumer complaints present potential harm to a consumer in this profession, and he also asked for him to explain what kind of harm he sees alleged in this profession. Mr. Tolliver explained that within the 2014 complaints that he reviewed, most of them regard financial issues. Complaints of professional incompetence where consumers want their money back after a faulty land survey causes them to have to move a fence or consumers losing value to their home due to improperly surveyed property lines are issues he sees frequently. Mr. Rhoad asked Mr. Reed how often consumers directly hire their land surveyors. Mr. Reed explained that it almost never happens, and that the real estate agency or engineers working on the build hire the surveyor.

Col Wilson asked Mr. Pope that if most of the complaints are coming from other professionals versus coming from consumers – would there be a way to use that information to make some value judgments about the oversight of the profession? Mr. Pope agreed that it would be possible, but as the AG's system was set up a long time ago, there isn't a way to clarify the type of complaint of where exactly it's coming from (consumer versus professional making the initial complaint).

Mr. Rhoad asked Mr. Tolliver to explain in regards to the enforcement of surveyors, how often during the investigation does the consumer mention a landscape architect or engineer. Mr. Tolliver responded that those professions are usually not a part of the complaint. The complaints are generally against one person and not a firm. Mr. Rhoad wanted to discuss why the professional surveyors, architects, and engineers are all under separate boards. He explained that it might make more sense to have them supervised under one board since the professions seem more intertwined. Col Wilson added that it might make sense to condense these 38-40 boards into 5-6 boards with 15-20 staff each. Col Wilson asked if there might be opportunities to condense some of these boards and shrink taxpayer cost. Mr. Rhoad responded that the issue is not as much about consumer cost, it's about consumer confusion. There may be initial confusion about where consumers can call to complain about these professions if everything is condensed. Mr. Tolliver is happy to conduct research about the possibility of multiple professions being included in a complaint against a surveyor. Mr. Pope added that sometimes professionals find themselves facing multiple boards, depending on the kind of violation that occurred.

Report from the Indiana Society of Professional Land Surveyors, Inc

Jason Coyle, President of the Indiana Society of Professional Land Surveyors, presented to the Board. Mr. Coyle is licensed in multiple states, including Indiana. Todd Bauer also presented, and he is currently licensed as a professional land surveyor and owns a practice in Indiana. They explained that the ISPLS has over 525 professional surveyors in Indiana as members of the organization. They also explained the qualifications for a license. An applicant needs a 2-year degree, 27 hours of surveying experience, and four years of practice under a professional surveyor. Applicants also must pass a 16-hour examination; two hours of that test is state-specific, and the rest is national. Around 2,000 people in Indiana are directly employed by or as a professional

surveyor, and the wages range from \$25K-\$100K annually. Field crews for this profession used to consist of 3-4 people, but due to advancements in technology, usually only one person is needed. Licensure is important, as only licensed professional surveyors have the education and experience needed to accurately describe and locate legal aspects of describing boundaries. Nearly all private and public contracts involve licensed professional surveyors to assure quality and integrity. Also, licensed professional surveyors are insured, and surveys for all commercial properties and mortgages must be performed to a national standard that only licensed professional surveyors can provide. Certifications in this profession are not the same as a license.

Overall, the ISPLS believes that the current Board supervising the profession is effective. They believe that the fees are fair, and the ISPLS would support higher licensing fees if it were necessary to maintain or increase service to the profession. They believe that the amount of state-required continuing education is appropriate, and they believe that these requirements have improved the level of competence in the profession. ISPLS suggests that the Board be allowed to pursue modifications to its rules to make education requirements consistent with current technology, practice, and educational offerings. ISPLS wants improved communication between the IPLA/Board and the professionals. More frequent Board meetings can result in less delay in enforcing license violations, as opposed to the current quarterly meetings.

Tim asked Ms. Hall if there was a channel to enforce violations conducted in between the currently scheduled quarterly meetings. Ms. Hall responded that emergency probations can be conducted when necessary, and the Board can hire a private investigator to gather the evidence they need to take the appropriate actions until the next Board meeting. Mr. Todd Bauer spoke up and explained that he has seen some people will bend over backwards to “work the system” and take up as much of the Board’s time as possible and prevents the Board from pursuing other violations and/or effectively enforcing other violations.

Col Wilson asked about ISPLS’s opinion regarding if the State is the best entity to regulate this profession. Could, if given the resources, the ISPLS act as an agent of the state and enforce the professional licenses? Mr. Bauer responded that currently the organization doesn’t have the logistics to handle it, but he believes that the ISPLS is capable of creating the framework to handle such tasks.

Mr. Pope expressed his concerns about the required four-year internship as it seems like a burden and possible barrier to entry, especially for minorities (assuming that the profession favors white males). Mr. Coyle and Mr. Bauer responded that they don’t believe that the apprenticeship requirement creates a barrier, and Mr. Bauer stated that he has never heard of anyone mentioning such a problem. He believes that the required internship is essential to professional competence.

Mr. Rhoad asked about who is generally responsible for ordering services from a professional surveyor. Mr. Bauer explained that banks, businesses, and engineering firms usually hire these professionals. Mr. Rhoad asked if the AG’s office ever resolves or investigates disputes between businesses. Mr. Pope responded that if a complaint is against a licensed individual, then it doesn’t matter if the complaint comes from an individual consumer or a business. Mr. Reed chimed in that banks and businesses are usually ordering the services on behalf of a consumer, so complaints usually still involve consumer protection.

Mr. Rhoad asked about the effects it would have on the industry if the license renewal cycle was extended to seven years. Mr. Coyle responded that he doesn’t believe it would have a major impact, except for the possibility of affecting professionals keeping up with their yearly continuing

education requirements. If the profession had a seven year renewal cycle, it might cause people to wait until the 5th or 6th year to complete their continuing education requirements.

Additional Committee Discussion

Mr. Rhoad mentioned that most other professional licensing boards insist that continued state licensure requirements are necessary to ensure jobs, which is why the supervising of professional licenses are done by state boards as opposed to professional organizations. Col Wilson stated that he doesn't have a problem with the licenses themselves, he is more concerned with the cost of the licenses. He believes that if the state oversight of licenses is done properly, then the costs should be able to be shrunk for both consumers and taxpayers.

Ms. Quandt asked about the amount of money that IPLA generates on a yearly basis. Mr. Rhoad explained that the IPLA brings in about \$15M in revenue for the General Fund, and they are allocated about \$4.5M. Ms. Quandt responded that it seems like the IPLA is a source of revenue for the state. She proposed that the fiscal leaders may wonder how they will come up with the extra money for the State if the committee ultimately decides to shrink licensing fees for most professions. Mr. Rhoad explained that the committee could frame it as a jobs creator, as it would potentially put more Hoosiers to work. Col Wilson added that while politics are important, he believes that the government's footprint should be shrunk and arbitrary barriers should be removed when possible. He believes that those two things are more important than an extra \$10M in the State's General Fund. Col Wilson would like to create a one-stop shop that is effective and efficient in managing these professional licenses. He believes that it should be easier to fiscally evaluate this. Mr. Reed mentioned that his \$50 licensing fees as a real estate agent hasn't change in 35 years.

Break for Lunch

Chairman Rhoad proposed a motion to break for lunch at 11:15 AM, and Mr. Reed seconded the motion. The committee reconvened at 12:30 PM.

Presentation from the State Board of Registration for Professional Engineers

Amy Hall presented to the committee again for the State Board of Registration for Professional Engineers. She explained the three different types of licenses and license functions for this profession and mentioned that there are currently 35,000 professional engineer licenses in Indiana. She described the Board's role and staffing, which currently employs one director, one assistant director, and four customer service representatives. The cost of a professional engineer license is \$300 for in-state residents and \$500 for out-of-state applicants. The fees are very similar to land surveyor licenses. She explained that 30 hours of continuing education credits are required at every renewal stage.

Mr. Reed suggested that since this professional license has a similar fee structure, that perhaps it can be condensed with the other land surveyor Board. Mr. Pope disagreed that it would be more efficient to condense these boards as they are different fields of physical science.

Presentation from the Indiana Attorney General's Office regarding Professional Engineers

Mr. Tolliver, Deputy AG, presented to the committee again. He explained the types of complaints received against this profession in 2014. One complaint was received of profession incompetence, two complaints were by a board of engineers, two complaints were received by engineers arguing incompetence and unlicensed practice, and one complaint was made by IPLA against a business using the word "engineering" in the title without a properly licensed engineer on staff. There were a total of 52 investigations in 2014. Two complaints made in 2014 were against those holding

engineering intern licenses, and that's difficult to enforce because the guidelines are not clear about what an engineering intern can actually do.

Mr. Rhoad asked if warning letters sent to violators by the AG's office are public record. Mr. Pope responded that warning letters are confidential. Only written censure by the Board is public, as it is posted on IPLA's public database. Mr. Reed has never heard of a verbal censure in over twenty years. Mr. Pope explained that verbal censure usually occurs at the Board's public hearings, where the professional who committed the violation is verbally reprimanded. Mr. Tolliver clarified that the warning letter isn't necessarily confidential because it's not barred from disclosure if someone asks for it. Either the claimant or the respondent has the power to make that warning letter public, but the AG's office does not go out of its way to publish it.

Presentation from the Indiana Society of Professional Engineers

Dr. Scott Haraburda, President of the Indiana Society of Professional Engineers, presented to the committee. He explained the public safety risk of engineering failures and stressed the importance of careful license oversight. He stated that insufficient knowledge is one of the biggest causes of often fatal engineering failures. The purpose of the professional engineering (PE) license is to protect the public from incompetence and misconduct. Licenses and accredited certification are granted using similar credentialing practices, but licenses cover a more broad area of knowledge, whereas certification is more limited in scope. ISPE currently has more than 13,000 licensed PEs in Indiana.

Mr. Pope asked if the engineers responsible for the cited engineering disasters were licensed. Dr. Harabura explained that some of them were, but they may not have kept up with their continuing education. Ms. Quandt asked if the PE exam has changed much over the years. Dr. Harabura explained that it has changed quite a bit to keep up with current technology. Ms. Quandt explained that she has heard that the PE exam is very rigorous, and most people do not pass the first time. Dr. Harabura elaborated that when he took his exam in chemical engineering, it had a 17% pass rate. He added that it is generally not unusual for people to retake the exam.

Mr. Rhoad asked how Indiana's internship requirements compare with other states for this profession. Dr. Harabura responded that it's the same as other states. Mr. Rhoad asked how it was decided that a four-year internship was long enough to gain competence. Dr. Harabura stated that some states allow interns to take the second half of the PE exam before the end of their four-year internship, but they still need to finish their four-year internship before officially becoming licensed.

Mr. Rhoad wanted the committee to recognize Harold Sneed for his dedication and hard work for the State Board of Registration for Professional Engineers.

Mr. Bauer stated that the engineering profession is very broad and condensing this board with the surveyor's board may reduce efficiency. He recognizes that the professions share administrative staff, but he believes that the PE profession is too broad to condense boards. Mr. Rhoad suggested that since a lot of the organization's presentation has focused on public safety, should the Indiana Department of Homeland Security be the one overseeing this profession. Mr. Bauer didn't have an answer to that question because he doesn't know how IDHS would handle the licensure differently than IPLA. Mr. Rhoad made a point that he wanted IPLA staff to look into the possibility of IDHS overseeing the PE licenses.

Mr. Pope asked if it would be easier to get into the engineering field if more licenses were offered instead of just one broad PE license. Dr. Harabura says that it makes sense, but it won't make it easier to become a PE. The current PE exam makes you demonstrate a broad knowledge base plus knowledge from your chosen field of practice. Mr. Bauer believes it would actually make things more complicated to have separate licenses for specific practices of engineering. He explained that the engineering exam has an ethics portion that makes you demonstrate your understanding that you shouldn't practice outside your scope of knowledge.

Mr. Rhoad asked how this profession fits into the manufacturing field. Dr. Harabura explained that a lot of engineering practices are directly related to manufacturing, and although he has a basic understanding of how these things are manufactured, he is not an expert. He explained that engineers substantially help out the manufacturing field, as all manufacturing facilities need to be designed by engineers. Mr. Bauer said that engineers leverage our ability to make Indiana work.

Ms. Quandt asked if the ISPE would be able to take on enforcement/overseeing of the PE license if given the authority to act as an agent of the state. Dr. Harabura explained that the ISPE is funded by its 600 active members, so the fees pay for an administrative staff to run the organization. ISPE currently doesn't have the resources, but it could happen. Dr. Harabura believes that the current IPLA structure of overseeing this license is working well.

Mr. Rhoad asked again about the possibility of IDHS overseeing this professional license. Mr. Reed added that it also might make sense that other professions would be better handled by the Health Department, since ISDH is likely already doing the work to keep those professions accountable anyway.

Ms. Quandt asked if there is anything else that the ISPE would like to see changed in the oversight of their professional license. Dr. Harabura explained that he would like to see more enforcement. Other states have investigative staff associated with their State Board and are generally more effective at apprehending license violations. However, he responded that he has seen very few public safety violations on the Indiana Board, in relation to other states.

Ms. Beth Bauer chimed in from the audience to add that the Fire Safety Commission approves most fire plans for buildings to help avoid public safety issues caused by engineers. She isn't sure that it's efficient to tie professional licensing oversight to the general review of building plans.

Concluding Discussion by the Committee

Mr. Rhoad asked the committee members if they had anything else to add to the discussion. No committee members spoke up.

Adjournment

Chairman Rhoad proposed a motion to adjourn the meeting at 2:00 PM, and Mr. Reed seconded the motion. The motion carried, and the meeting adjourned at 2:00 PM.

**NEXT SCHEDULED MEETING
FOR THE JOB CREATION COMMITTEE
February 19, 2015
Indiana Government Center-South
402 West Washington Street, Room W064
Indianapolis, IN 46204**